

CHIEF INVESTMENT OFFICE

Wealth Strategy Report

IRAs: Required Minimum Distributions

April 26, 2022

INTRODUCTION

An Individual Retirement Account (IRA) is a common retirement savings vehicle. In general, income and growth “inside” an IRA accumulate federally tax-free, so you usually prefer to keep investments inside the IRA for as long as possible. However, there are rules that require withdrawals from IRAs; these required withdrawals are known as Required Minimum Distributions (RMDs). The term “minimum” means just that; these are the minimum amounts one is required to withdraw. You can always withdraw more than the minimum.¹ Failure to withdraw your annual RMD could expose you to a penalty tax equal to 50% of the excess of (i) the amount you should have withdrawn, over (ii) the amount actually withdrawn.

This Wealth Strategy Report addresses two important questions concerning RMDs of IRAs: (1) how much must you withdraw from your IRA during your lifetime (and when); and (2) after your death, how much must be withdrawn by whomever inherits your IRA (and when).

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LIFETIME RMDs FOR THE OWNER OF A TRADITIONAL IRA

When must RMDs begin?

For many years the rule was that you must begin withdrawing annual RMDs from your traditional IRA for the year in which you turned 70½. Legislation enacted in December 2019, known as the “SECURE” Act, increased that age to 72 if you turned 70½ after 2019. Generally, you must withdraw a year’s RMD by December 31 of that year. However, for the first RMD, you are allowed to defer that to no later than April 1 of the following year. That April 1 is called the Required Beginning Date (RBD).² For example, if you turn 72 in 2022 or later you are allowed to take your first RMD anytime from January 1 of the year you turn 72 until April 1 of the following year. (For all future years, you would have to withdraw that year’s RMD from January 1 to December 31 of that year.) However, this does not mean that you should necessarily defer your first RMD. If you defer your first RMD, you will still have to take the next year’s RMD by December 31 of that same year. That would mean two IRA distributions in the same year, which would “bunch” income into one year and may not be the best overall income tax strategy.

¹ Amounts withdrawn prior to age 59½ are subject to a 10% penalty tax on the taxable portion, unless an exception applies.

² Several of the rules discussed later will depend on whether death occurs before or on/after the Required Beginning Date, so it’s an important term to understand.

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If you have more than one IRA, you will need to calculate your RMD separately for each IRA, and the aggregate RMDs would be your total RMD for the year. You can withdraw the total RMD from any one or more of the multiple IRAs in whatever amounts you choose as long as in the aggregate you meet the RMD for that year.

How much: calculating your RMD

Once you know when you must begin withdrawing annual RMDs from your IRA, a separate question is, “How much must you withdraw each year?” The IRS publishes tables that set forth certain “distribution periods,” which are based on life expectancies;³ these tables govern your RMDs.⁴ In general, the goal is to allow the IRA to be withdrawn over your life expectancy, and if you do not deplete the account during your lifetime, with additional time for distributions to your beneficiaries. As we shall see, implementing this goal leads to a dizzying array of rules.

Distributions During Your Lifetime—There are two methods of calculating the RMD for your IRA for a particular year.

First method: the Uniform Table. The first method is to use the IRS Uniform Lifetime Distribution Table (Uniform Table), which is on page 8. You must use this method unless your sole primary beneficiary is your spouse who is more than 10 years younger than you (in which case you should use the second method, described next). Under this first method, you would calculate your RMD each year as follows:

Example of Uniform Table	
Age as of December 31	72
Distribution Period from Uniform Table (applicable denominator)	27.4
Market value of account as of December 31 of the prior year	\$1,000,000
RMD amount ($\$1,000,000 \div 27.4$)	\$36,496

- Step #1: When you reach age 72,⁵ identify from the Uniform Table the distribution period for age 72.⁶
- Step #2: Divide the market value of your IRA on December 31 of the prior year by this distribution period, which is now called the “applicable denominator” under the proposed regulations.⁷

³ “Life expectancy” and “distribution period” mean the same thing. That is to say you have a “life expectancy” of 30 years is the same as saying your “distribution period” is 30 years. Both terms will be used.

⁴ In November 2019, the IRS issued proposed regulations that would update the life expectancy tables discussed in this summary, to reflect current mortality data. This would increase life expectancies, which would decrease RMDs. Final regulations were issued in November 2020 and became effective January 1, 2022.

⁵ This example assumes the relevant age for determining your RMD is age 72. The same methodology would apply if your relevant age was 70½ before the SECURE Act.

⁶ Technically the Uniform Table sets forth the joint life expectancy for you and a beneficiary 10 years younger.

⁷ On February 24, 2022, the Treasury Department and the IRS issued proposed regulations regarding required minimum distributions from IRAs and qualified plans. The proposed regulations reflect changes to distribution rules made by the SECURE Act and numerous other updates to the distribution rules.

- Step #3: For each subsequent year, look at the Uniform Table anew and divide the market value of your IRA as of December 31 of the previous year by the applicable denominator (distribution period) for your age as of December 31 in that subsequent year.

The table in the left column illustrates this first method using the Uniform Table on page 8.

Second method: When the sole primary beneficiary is your spouse who is more than 10 years younger. If the sole primary beneficiary⁸ of your IRA is your spouse who is more than 10 years younger than you, you can calculate your RMD using a more favorable table: the Joint and Last Survivor Table (an excerpt from the IRS Joint and Last Survivor Table is shown on page 7). The Joint and Last Survivor Table has longer distribution periods based on longer joint life expectancies, and so the RMD amount will be smaller than under the Uniform Table, resulting in longer tax deferral. The table below illustrates this second method.

Example of Joint and Last Survivor Table	
Age as of December 31	72
Age of spouse	57
Distribution period from Joint and Last Survivor Table	31.1
Market value of account as of December 31 of the prior year	\$1,000,000
RMD amount ($\$1,000,000 \div 31.1$)	\$32,154

DISTRIBUTIONS TO YOUR BENEFICIARIES AFTER YOUR DEATH

After your death, the beneficiary of your IRA will also have RMDs, determined under a different set of rules. The rules for inheriting beneficiaries who are not spouses were significantly changed by the SECURE Act. So, we will first address the rules governing an inheriting beneficiary who is a spouse, and then we’ll address non-spouse beneficiaries. Note: prior to SECURE a spouse was considered a “Designated Beneficiary”, post SECURE, a spouse is considered an “Eligible Designated Beneficiary.” Classification of beneficiaries is discussed in the following sections.

Non-Designated Beneficiary	Designated Beneficiary	Eligible Designated Beneficiary
Estates	Non-Spouses more than 10 years younger (i.e., adult children, nephews, nieces and other individuals)	Spouses
Charities	Certain Trusts	Minor children (until age 21) of deceased account owner
Certain Trusts		Individuals not more than 10 years younger*
Entities		Disabled individuals
		Chronically ill individuals
		Certain Trusts

* Based on actual dates of birth, not year of birth

⁸ There can be contingent beneficiaries who would inherit if the spouse predeceased. Such contingent beneficiaries would not alter this calculation.

RMDS FOR INHERITING SPOUSE

If your spouse is the beneficiary of your IRA, at your death your spouse may elect to transfer your IRA into his or her own IRA, regardless of whether death was before or on/after your RBD. (This is sometimes referred to as a “spousal rollover.”) If that is done, the transferred IRA will be treated as if it is your spouse’s IRA, and your spouse may designate new beneficiaries. In effect, the rules applicable for your spouse would be those discussed in the first section above: Lifetime RMDs.

If your spouse does not transfer your IRA into his or her own IRA, then different rules apply depending on whether your death was before or on/after your Required Beginning Date.

- **Death before RBD.** If you die *before* your RBD, your spouse must begin taking RMDs by the later of (i) December 31 of the year you would have reached 72; or (ii) December 31 of the year following the year of your death. Once those RMDs are begun, they would be determined using yet another table, the Single Life Table (see page 8), which sets forth the applicable denominator (distribution periods or life expectancy) for a single individual. (The two tables previously discussed, the Uniform Table and the Joint and Last Survivor Table, were both based on the *joint* life expectancy of two individuals.) Each year your spouse would use the applicable denominator (distribution period) for his/her age for that year (as of December 31). This is known as the “recalculated” method. Note that under this method, life expectancy under the Single Life Table at page 8 never “runs out.”
- **Death on/after RBD.** If you die *on/after* your RBD, your spouse must begin taking RMDs by December 31 of the year following the year of your death. Once those RMDs are begun, they would be determined using the same method as set out in the preceding paragraph (recalculated life expectancy under the Single Life Table.)

The SECURE Act altered the payout period after the death of your spouse-beneficiary. If your spouse-beneficiary commenced “stretch” distributions prior to 2020 with respect to an IRA owner who died before their RBD, the stretch payments could continue over the spouse-beneficiary’s life expectancy even after the spouse-beneficiary’s death. However, if your spouse-beneficiary died after 2019, the payments to the successor beneficiary may continue over the deceased spouse-beneficiary’s remaining life expectancy in accordance with prior law, but the entire remaining interest must be distributed to the successor beneficiary by the end of the 10th year following the original beneficiary’s death.

RMDS WHEN AN INDIVIDUAL OTHER THAN YOUR SPOUSE IS BENEFICIARY—DEATH AFTER 2019 (SECURE ACT).

The determination and classification of the beneficiary or beneficiaries is the first step in determining payout periods and rules for RMDs. Generally, the identity of beneficiaries is made as of September 30 of the year following the IRA owner’s death. This allows for disclaimers to be implemented and/or distributions to be made before the beneficiaries are finally determined, which will govern which of the many rules set forth below will apply.

Under the SECURE Act, named beneficiaries can fall into three categories: Designated Beneficiaries (“DB”), Eligible Designated Beneficiaries (“EDB”) and Non-Designated Beneficiaries (“NDB”). A DB is any individual, whereas an EDB is a defined subset of certain individuals and an NDB is a non-individual. Payout rules are discussed below for each category of beneficiary (payout rules for a spouse are discussed above).

NAMING MULTIPLE BENEFICIARIES

If an IRA account owner names multiple beneficiaries, the characteristics of the oldest of the beneficiaries generally determines (1) the payout period and (2) whether the 10-year distribution rule applies. For instance, naming a spouse (an EDB) and adult children (DBs) as equal beneficiaries is treated as not having named an EDB. Therefore, the spouse cannot stretch the payments over their life expectancy even though the spouse is classified as an EDB.

Mixing EDBs with non-EDBs results in no EDBs—the proposed regulations provide that if an account owner has multiple designated beneficiaries and at least one of them is not an EDB, the account owner is treated as not having any EDBs. This generally has the following consequences under the proposed regulations for all the designated beneficiaries: If the account owner dies before their RBD, the 10-year rule applies and no distributions are required until the end of the 10-year period. If the account owner dies on or after their RBD, distributions must continue over the longer of the account owner’s remaining life expectancy and the oldest beneficiary’s life expectancy, but all amounts must be fully distributed by the end of the year containing the 10th anniversary of the account owner’s death.

There are several exceptions to the multiple beneficiary rule. If a named IRA beneficiary is fully paid out by September 30 of the year following death, that beneficiary will be disregarded when looking at the characteristics of the multiple beneficiaries. Further, if the IRA is divided into separate accounts for the remaining beneficiaries by December 31 of the year following death, each beneficiary will be paid out according to their particular age. Furthermore, the proposed regulations provide that if any designated beneficiary is an EDB because they are a minor child of the IRA account owner, the account owner is treated as having an EDB even if other designated beneficiaries are not EDBs. The proposed regulations also provide for an exception for “applicable multi-beneficiary trusts.” Such a trust is one created solely for disabled or chronically ill beneficiaries. Such a trust is treated as an EDB even if other trust beneficiaries are not EDBs.

Designated Beneficiaries

The SECURE Act changed the rules for “Designated Beneficiaries” other than spouses who inherit an IRA from an account owner dying after December 31, 2019. The new legislation generally requires non-spouse beneficiaries to take complete distribution of the benefits by the end of the year containing the tenth anniversary of the account owner’s death. This rule would apply regardless of whether the account owner died before or after his or her Required Beginning Date. However, as a surprise to many, the IRS’ proposed regulations to implement the SECURE Act, would also continue to apply the “at least as rapidly rule” for Designated Beneficiaries if the IRA account owner died on or after their Required Beginning Date. The “at least as rapidly rule” requires the Designated Beneficiary to continue taking minimum distributions over the longer of the (1) account owner’s remaining life expectancy or (2) the beneficiary’s life expectancy. However, because of the 10-year rule, the full IRA balance must be fully distributed by December 31 of the year containing the 10th anniversary of the account owner’s death. Note that this can significantly shorten the distribution period for a beneficiary. Under the rules in effect before the SECURE Act, the beneficiary might have been able to “stretch” the IRA distributions over his/her lifetime, as discussed above. Now, however, the payout generally will be limited to 10 years. The post-SECURE Act rules can be summarized as follows for Designated Beneficiaries:

- **Death before RBD.** If you die *before* your RBD, your Designated Beneficiary must receive distributions under the 10-year rule. The 10-year rule requires that the full distribution of your IRA must be made by December 31 of the year containing the 10th anniversary of your death.
- **Death on/after RBD.** If you die *on/after* your RBD, your Designated Beneficiary must begin taking RMDs⁹ by December 31 of the year following the year of your death. RMDs could be paid over the longer of the (1) account owner’s remaining life expectancy or (2) the beneficiary’s life expectancy (determined by the Single Life Table). The IRA balance, however, must be fully distributed by December 31 of the year containing the 10th anniversary of the account owner’s death.

Eligible Designated Beneficiaries

A certain subset of Designated Beneficiaries created under the SECURE Act, called Eligible Designated Beneficiaries, are not restricted to the 10-year payout cutoff.

An Eligible Designated Beneficiary is a limited class of individuals who are: (i) the spouse of the account owner, (ii) a minor child of the account owner,¹⁰ (iii) a disabled person (determined on date of account owner’s death), (iv) a chronically ill person, or (v) a person not more than 10 years younger than the account owner. For such “eligible designated beneficiaries,” the new truncated payout rules do

⁹ Any beneficiary must take the required minimum distribution for the year of the IRA owner’s death to the extent the owner had not taken it prior to death. The deceased account owner is not required to take the distribution for the year of death in the proposed regs.

¹⁰ In the case of a minor child, the benefits would have to be distributed within 10 years from when the child attains majority. The age of majority is 18 in most, but not all, states. For simplicity the IRS sets age 21 as the age of majority.

not apply and the distribution rules that applied before the SECURE Act (and which are discussed above) continue to apply. It is important to note that EDB status of a minor child ends when the child attains the age of majority (age 21) and therefore (now as a Designated Beneficiary) requires any remaining IRA funds to be paid to that person by the end of the year in which such person attains age 31.

The post-Secure Act rules can be summarized as follows for Eligible Designated Beneficiaries (other than spouses):

- **Death before RBD.** If you die *before* your RBD, your Eligible Designated Beneficiary would begin taking RMDs by December 31 of the year following the year of your death. RMDs would be paid over the beneficiary’s life expectancy (determined by the Single Life Table). If the IRA permits, the EDB could elect to receive the IRA funds under the 10-year rule instead of the life expectancy rules.¹¹
 - **Note:** If the EDB is a minor child, the foregoing rules apply but the IRA must be fully paid out to the child by the end of the year the child attains age 31.
- **Death on/after RBD.** If you die *on/after* your RBD, your Eligible Designated Beneficiary must begin taking RMDs by December 31 of the year following the year of your death. RMDs could be paid over the longer of the (1) account owner’s remaining life expectancy or (2) the beneficiary’s life expectancy (determined by the Single Life Table).
 - **Note:** If the EDB is a minor child, the foregoing rules apply but the IRA must be fully paid out to the child by the end of the year the child attains age 31.
 - **Note:** In the case of a beneficiary older than the account owner, there is a cut-off rule. In such case, the full IRA must be distributed to the beneficiary no later than the final year of the beneficiary’s life expectancy.

If an Eligible Designated Beneficiary dies before the IRA is fully distributed, then the beneficiary of the EDB must receive the remaining IRA funds over the remaining life expectancy of the EDB, but all amounts must be fully distributed by the end of the year containing the tenth anniversary of the death of the EDB.

Note that these new distribution rules under the SECURE Act apply only to “Designated Beneficiaries” and “Eligible Designated Beneficiaries” whose meaning is discussed on the above. If a beneficiary is not a “Designated Beneficiary” then they are considered a “Non-Designated Beneficiary” (e.g., a non-qualified trust, a charity or the owner’s estate), the changes made by the SECURE Act do not apply and the distribution rules that applied before the SECURE Act would continue to apply and are discussed in more detail below.

Non-Designated Beneficiaries

The IRA beneficiary might be a type of beneficiary not yet mentioned. This could include (i) a non-qualified trust (i.e., a

¹¹ Some IRAs may restrict the payout to the 10-year rule. In such case the proposed regulations permit a beneficiary to roll-over the IRA to a new IRA and take distributions over the stretch rules (using life expectancy) if the roll-over is made by the end of the calendar year following the year of the IRA owner’s death.

trust that does not meet the four requirements set forth below); (ii) a charity;¹² (iii) an entity or (iv) the owner's estate. These non-individual beneficiaries are classified as "Non-Designated Beneficiaries" (NDB). In that case, there are two sets of rules, depending on whether the owner died before or on/after the RBD.

- **Death before RBD.** If you die before your RBD, your IRA must be completely distributed to the Non-Designated Beneficiary by December 31 of the fifth year after the owner's death.¹³ No distributions are required until the end of the year containing the fifth anniversary of the account owner's death. This is referred to as "The 5-Year Rule."
- **Death on/after RBD.** If you die on/after your RBD, your Non-Designated Beneficiary must continue distributions using the owner's non-recalculated life expectancy under the Single Life Table. For this purpose, the owner's life expectancy is based on the owner's age as of December 31 in the year of death

Roth IRAs – post-mortem RMDs

In the case of a Roth IRA, the rules described above for post-mortem RMDs also apply, with one important caveat. Because Roth IRAs have no lifetime RMDs, by definition the death of a Roth IRA owner is always considered to be before the Required Beginning Date. Therefore, the post-mortem rules to be applied are those that apply when death occurs before the Required Beginning Date. If the beneficiary is a DB, the account owner's balance must be fully distributed no later than the end of the year containing the tenth anniversary of the account owner's death (with no distributions required until the tenth year), and if the beneficiary is an NDB, the account owner's balance must be fully distributed no later than the end of the year containing the fifth anniversary of the account owner's death (with no distributions required until the fifth anniversary).

POST-MORTEM RMDs FOR INHERITING BENEFICIARIES OTHER THAN SPOUSE—DEATH BEFORE 2020.

If the spouse is not the IRA beneficiary, it is common to name other individuals, such as (i) adult children; (ii) siblings; (iii) parent(s), etc. For these categories of beneficiaries, the rules were changed significantly by the SECURE Act, effective for deaths occurring after 2019. We summarize the post-SECURE Act rules above.

If the original IRA owner died in 2019 or earlier, the pre-SECURE Act rules continue to apply to these non-spouse beneficiaries. The beneficiary's RMD will depend on several factors, including (i) whether death was before or on/after the owner's Required Beginning Date; and (ii) who is the beneficiary. The determination of the identity of the beneficiary or beneficiaries is made as of

¹² In the case of a charity, the receipt of the IRA funds would not be subject to income tax, so the "loss" of deferral is not a concern.

¹³ Because the 5-year rule is the only option under these circumstances, this can lead to an important planning matter. For example, as mentioned above, the final determination of who is a beneficiary is made as of September 30 of the year following death. The IRA might name both a charity and the spouse as equal beneficiaries. Because a charity is a "Non-Designated Beneficiary," an IRA owner's death before the RBD would trigger the 5-Year Rule. However, if the charitable portion were fully paid out before September 30 of the year following death, that would leave only the spouse, who would be an "Eligible Designated Beneficiary," avoiding the 5-Year Rule (if such avoidance were preferred).

September 30 of the year following death. Once the beneficiaries are determined as of September 30 of the year following death, the following rules apply:

- **Death before RBD.** If the owner died *before* the RBD, unless the 5-Year Rule applies (discussed above), the beneficiary must take distributions over his or her *non-recalculated*¹⁴ life expectancy determined under the Single Life Table at page 8.¹⁵ If you have named multiple individual Designated Beneficiaries, their distributions will be calculated using the life expectancy of the oldest beneficiary, unless a beneficiary establishes a separate account by December 31 of the year following the owner's death (in which case the life expectancy of the beneficiary of the separate account can be used).
- **Death on/after RBD.** If the owner died *on/after* the RBD, the beneficiary must take distributions over his or her *non-recalculated* life expectancy. Again, if you have named multiple beneficiaries, the required distribution will be calculated using the life expectancy of the oldest Designated Beneficiary, unless each has a separate account by December 31 of the year following your death. The main difference from the preceding paragraph is that the 5-Year Rule (discussed above) is not a consideration.

Although the SECURE Act does not apply for beneficiaries of a deceased IRA owner who died prior to 2020, it would apply if the beneficiary then dies after 2019. For instance, if a beneficiary commenced "stretch" payouts in 2018 with respect to an IRA owner who died before their RBD in 2017, but the beneficiary then dies in 2022, the payments to the successor beneficiary may continue over the deceased beneficiary's remaining life expectancy, but the entire remaining IRA must be distributed to the successor beneficiary by the end of the 10th year following the original beneficiary's death.

RMDs WHEN A TRUST IS NAMED AS BENEFICIARY

If a trust is the beneficiary of your IRA, the governing rules will depend on whether it is a so-called "see-through trust." A trust is a "see-through trust" if it satisfies all of the following requirements:

1. The trust is valid under local law;
2. The trust is irrevocable, or will by its terms become irrevocable upon your death;
3. The trust beneficiaries are identifiable; and
4. The IRA Trustee / IRA Custodian is provided either (1) a copy of the trust instrument or (2) a certified list of trust beneficiaries, including all contingent beneficiaries, with a description of the portion to which they are entitled and any conditions on their settlement.

¹⁴ Under the "non-recalculated" method, the beneficiary initially looks to the Single Life Table and, based on the beneficiary's age and distribution period in the year after your death, withdraws the first post-mortem RMD. In each following year, the beneficiary does not look at the table *anew* but rather simply subtracts 1 from the prior year's life expectancy. Under this method, eventually the life expectancy does "run out," a result that cannot happen under the "recalculated" method.

¹⁵ This ability to "stretch" the remaining distributions over the beneficiary's life expectancy is known as a "stretch" IRA. This has been curtailed by the SECURE Act for IRA owners dying after 2019.

If the trust is a valid see-through trust, then certain beneficiaries of the trust (those that are not otherwise disregarded by IRS rules and proposed regulations), and not the trust itself, are treated as having been designated as beneficiaries of the account owner. The beneficiaries' status as EDB, DB or NDB, and whether the account owner died before or after their RBD will dictate the distribution options for the trust. If the trust is not a see-through trust then the trust is considered the beneficiary and therefore would be a Non-Designated Beneficiary. A see-through trust could also be a Non-Designated Beneficiary if one of the current permissible recipients is a charitable organization, an entity or other non-individual.

HISTORICAL NOTE

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") was enacted in response to the pandemic. That legislation contained a provision that waived RMDs for 2020. See our Tax Alert 2020-9 for more details.

Which beneficiaries of a see-through trust to consider; which to disregard?

Proposed regulations issued in February 2022 clarify various issues raised by the estate planning community with respect to trusts as beneficiaries of IRAs. The IRS expects the comprehensive guidance given in the proposed regulations "will minimize the need for taxpayers to request private letter rulings." The first step in determining the payout to a trust, is to determine if the trust is a conduit trust.

Conduit Trust—A conduit trust requires that all IRA account distributions will, upon receipt by the trustees, be paid directly to, or for the benefit of, specified beneficiaries. For this type of trust, only beneficiaries who can receive IRA funds are counted as beneficiaries. Contingent and remainder beneficiaries are

disregarded. If a trust is not characterized as a conduit trust, it is considered an accumulation trust.

Accumulation Trust—An accumulation trust is simply a see-through trust that is not a conduit trust. Generally such a trust will provide for discretionary distributions to its one or more identifiable beneficiaries, with any accumulated benefits passing to contingent beneficiaries. For this type of trust, beneficiaries who can currently receive IRA funds are counted as beneficiaries, as well as the initial contingent beneficiaries. Certain remote contingent beneficiaries are generally disregarded.

Trusts Until Age 31—A special rule for disregarding certain beneficiaries exists for an accumulation trust that requires a full distribution of IRA funds in the trust to a specified individual by the end of the 10th calendar year following the year in which the specified individual attains age 21. Such a trust is not limited to the account owner's children, but could be for nephews, nieces or others. In such case, any contingent beneficiary is disregarded as a beneficiary. For instance, a discretionary trust for the benefit of the account owner's niece payable to her in full upon attaining age 31, can disregard any remainder beneficiary who will receive IRA funds in the event the niece dies before age 31. Such a trust would look to only the niece's status as a Designated Beneficiary for purposes of RMD payouts.

Applicable Multi-Beneficiary Trusts—The IRS' proposed regulations provide guidance on a specific type of see-through trust called an applicable multi-beneficiary trust. There are two types of such trusts described in the proposed regulations, one of which is only for the *current* benefit of disabled or chronically ill individuals. Any beneficiary of such trust who is not disabled or chronically ill can be disregarded when determining who is a beneficiary if their right to IRA funds is contingent upon the death of all current beneficiaries. As a result, the disabled or chronically ill individuals (all EDBs) will be the sole beneficiaries for RMD payout purposes.

— National Wealth Strategies, Chief Investment Office

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SECURE Act: IRA Post-Death Payout (Proposed Regulations: Feb. 23, 2022)

		Required Beginning Date (RBD)	
		Account Owner's Death Before RBD	Account Owner's Death (on or) After RBD
NON-DESIGNATED BENEFICIARY	➔	5-Year Payout: (without any payments required in years 1–4)	Stretch Rules: use remaining life expectancy of account owner
DESIGNATED BENEFICIARY	➔	10-Year Payout: (without any payments required in years 1–9)	10-year Rule, AND adherence to At Least as Rapidly Rule (stretch payout over the longer of the (i) original owner's remaining life expectancy or (ii) designated beneficiary's life expectancy)
ELIGIBLE DESIGNATED BENEFICIARY	➔	Stretch payout over oldest EDB's life expectancy (plus option to elect to use 10-year payout) Spouse: Rollover, delay for spouse (until account owner would have been 72)	At Least as Rapidly Rule: Stretch payout over original owner's remaining life expectancy or (generally) oldest beneficiary's life expectancy** Spouse: Rollover option

* RBD: Generally April 1 of year following year account owner turns age 72. Note: Roth IRA accounts do not have a RBD.

** If beneficiary is older than account owner, the full IRA must be distributed to the beneficiary no later than the final year of the beneficiary's life expectancy.

AGE	70	71	72	73	74	75	76
55	33.0	32.8	32.7	32.6	32.4	32.4	32.3
56	32.2	32.0	31.9	31.7	31.6	31.4	31.4
57	31.4	31.2	31.1	30.9	30.8	30.7	30.6
58	30.7	30.5	30.3	30.1	30.0	29.9	29.8
59	29.9	29.7	29.5	29.4	29.2	29.1	29.0
60		29.0	28.8	28.6	28.4	28.3	28.2
61			28.1	27.9	27.7	27.5	27.4
62				27.2	27.0	26.8	26.6
63					26.2	26.1	25.9
64						25.3	25.2
65							24.4

IRS Uniform Lifetime Distribution Table (effective 1/1/2022)					
Age of IRA Participant	Distribution Period	Age of IRA Participant	Distribution Period	Age of IRA Participant	Distribution Period
72	27.4	89	12.9	106	4.3
73	26.5	90	12.2	107	4.1
74	25.5	91	11.5	108	3.9
75	24.6	92	10.8	109	3.7
76	23.7	93	10.1	110	3.5
77	22.9	94	9.5	111	3.4
78	22	95	8.9	112	3.3
79	21.1	96	8.4	113	3.1
80	20.2	97	7.8	114	3.0
81	19.4	98	7.3	115	2.9
82	18.5	99	6.8	116	2.8
83	17.7	100	6.4	117	2.7
84	16.8	101	6.4	118	2.5
85	16	102	5.6	119	2.3
86	15.2	103	5.2	120 +	2.0
87	14.4	104	4.9		
88	13.7	105	4.6		

IRS Single Life Table (effective 1/1/2022)					
Bene's Age	Distribution Period	Bene's Age	Distribution Period	Bene's Age	Distribution Period
59	28.0	80	11.2	101	2.6
60	27.1	81	10.5	102	2.5
61	26.2	82	9.9	103	2.3
62	25.4	83	9.3	104	2.2
63	24.5	84	8.7	105	2.1
64	23.7	85	8.1	106	2.1
65	22.9	86	7.6	107	2.1
66	22	87	7.1	108	2.0
67	21.2	88	6.6	109	2.0
68	20.4	89	6.1	110	2.0
69	19.6	90	5.7	111	2.0
70	18.8	91	5.3	112	2.0
71	18.0	92	4.9	113	1.9
72	17.2	93	4.6	114	1.9
73	16.4	94	4.3	115	1.8
74	15.6	95	4.0	116	1.8
75	14.8	96	3.7	117	1.6
76	14.1	97	3.4	118	1.4
77	13.3	98	3.2	119	1.1
78	12.6	99	3.0	120+	1.0
79	11.9	100	2.8		